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Classified By: POLITICAL COUNSELOR ROBERT DOWNES, REASONS 1.4 (B) AND (D)

11. (C) Summary. President Chavez continues to promote major changes to the 1999 Constitution, but has delayed releasing to the National Assembly a formal package of proposals. Simmering opposition to the elimination of presidential term limits and further centralization of power has forced the Venezuelan president to try to reframe constitutional change as giving more power to the people. While opposition parties are lining up against changing the constitution, they are divided on whether to participate in an eventual referendum or to abstain. Catholic Church leaders are becoming more outspoken against the "Marxist-Leninist" orientation of the government, and two small pro-Chavez parties are increasingly distancing themselves from Chavez. Although proceeding cautiously, Chavez maintains the upper hand in this brewing political battle. USAID/OTI funding for NGOs promoting democratic participation could help make the late 2007/early 2008 referendum a more democratic contest with genuine debate. End Summary.

Where's The Package?

- 12. (C) When he announced plans in early 2007 to rewrite the 1999 Constitution, President Chavez said he hoped that the National Assembly and Venezuelan voters would approve the package of changes by August. Although a presidential committee headed by National Assembly President Cilia Flores submitted initial ideas for constitutional changes in March, Chavez has not yet passed back to the National Assembly a concrete package for debate and approval. Chavez said in recent speeches that he is still reviewing a comprehensive package of changes, but he plans to release his proposal "soon." Drafts of Chavez' proposal have leaked, giving some early insight into Chavez' plans (reftel). Chavez' supporters now predict that constitutional changes will be put to a referendum in late 2007 or early 2008.
- ¶3. (C) The delay in submitting a formal proposal for changes to the 1999 Constitution is widely attributed to Chavez recognizing that more political work needs to be done to "sell" some of his constitutional changes. Central elements of Chavez' proposals, including the elimination of presidential term limits and shifting power from governors and mayors back to the central government, remain

controversial, including among many Chavistas. Given reported internal grumbling about some of the proposed changes, Chavez may be waiting for a more propitious political moment to move forward. Student protests in May and June to Chavez' decision to remove RCTV from the free airwaves also likely delayed Chavez' overly ambitious timeline.

¶4. (C) National Electoral Council (CNE) Rector Vicente Diaz told A/PolCouns July 31 that the CNE is ready to hold a referendum on constitutional changes with the requisite 30 days notice. He said Chavez is currently going through proposed revisions article by article and consulting with affected government entities as needed. He predicted the National Assembly would ratify Chavez' proposals quickly and that Chavez would schedule the required public referendum for the first Sunday in December, rather than wait until 2008. Diaz noted that Chavez would seek to take advantage of the fact that many employees receive Christmas bonuses at that time, as well use the Christmas holidays to defuse any political tension related to the vote.

Still Preparing the Ground

15. (C) Prior to departing on his current Latin American tour, Chavez vigorously defended central ideas of his forthcoming package in a series of speeches and during his "Alo, Presidente" televised talk shows. He denied that eliminating presidential term limits is the most important change coming, arguing instead that it is the people's "right" to elect a president for as many years as they want. (Note: Chavez said term limits should still apply to other elected officials to prevent local leaders from forming "kingships".) Chavez also stressed that there are many countries in Europe and Asia without term limits. The pro-government and normally

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anti-American daily "Vea" ran a long editorial on the merits of Franklin Roosevelt's twelve years in office (conveniently omitting that the U.S. adopted the 22nd amendment in 1951 to impose presidential term limits).

16. (C) Chavez appears to be searching for issues to make his proposed constitutional changes more popular. He talks about incorporating community councils ("consejos communales") into the revised constitution. He also suggested that he would elevate his social programs ("misiones") into constitutionally protected elements of "people's power." Chavez' proposed single pro-government party, the United Socialist Party of Venezuela (PSUV), is in the process of forming neighborhood "battalions," which in turn have already been instructed to defend the need for constitutional changes. Increasingly, the Chavista strategy appears to be to make the future referendum a referendum for or against the Venezuelan president, and not on the substance of the changes.

The Opposition? - Divided, Of Course

popularity, such as crime and corruption.

17. (C) Almost all opposition parties are already voicing opposition to Chavez rewriting the 1999 Constitution, but there is no unified opposition effort to oppose Chavez' constitutional plans. Quiet efforts to coordinate opposition positions have so far been unsuccessful. Zulia Governor Manuel Rosales' Un Nuevo Tiempo has its own committee of constitutional experts who are preparing separate proposals for constitutional changes. UNT President Omar Barboza told the Charge August 9 that the UNT will oppose constitutional changes, but is currently having to "shadow box" until Chavez releases his actual proposal. Barboza said the UNT will also try to extend public debate to issues that erode Chavez'

- 18. (C) Primero Justicia (PJ) is arguing that Chavez is illegally trying to rewrite the 1999 Constitution via the constitutional reform process, which is only permitted if the structure and fundamental principles of the Constitution are not modified. PJ leaders are arguing that the elimination of presidential term limits and reorganization of state and local governments are sweeping changes that require that Chavez convoke a Constitutional Assembly (like the one that wrote the 1999 Constitution). The reform process requires that two-thirds of the National Assembly pass the changes to the constitution three times. Due to the opposition's boycott of the 2005 parliamentary elections, only pro-Chavez legislators sit in the NA making swift passage all but certain. The changes must then be put to a public referendum within 30 days.
- 19. (C) Accion Democratica's (AD's) leadership is already telling its members to abstain during the constitutional referendum citing long-standing concerns about the integrity of the CNE. Regional AD leaders, however, are reportedly considering trying to rally Venezuelans to vote 'no' (Note -Many AD members voted for Rosales in the December 2006 presidential election despite the AD leadership's abstentionist policy at that time). Other ultra-opposition figures, such as Antonio Ledezma and Oscar Perez, are advocating abstention as well. Student leaders, wary of participating in "traditional politics," are leaning toward abstention, according to NGO working with the student movement.

_____ The Church: Expressing Reservations -----

110. (C) The Catholic Episcopal Conference (CEV) issued a July 7 pastoral letter criticizing many BRV policies, specifically noting that "Venezuela needs the current constitution to be implemented, not a new one." CEV Deputy Secretary General Aldo Fonti told the Charge July 31 that he believes the debate and referendum on constitutional change will be as critical to Venezuelan democracy as the 1948 Italian elections. He said the Church could no longer simply tell parishioners to vote their consciences. This is not a "gray" issue, he continued, but a "black and white issue concerning the future of democracy." Caracas Cardinal Jorge Urosa told the local media that the Church can and will not support a "Marxist-Leninist" project.

Small Pro-Chavez Parties: The Wild Cards

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111. (C) The small, but prominent pro-Chavez parties Podemos and Patria Para Todos (PPT) are increasingly distancing themselves from Chavez in the wake of Chavez' public assaults on both parties for not joining his proposed single pro-government party, the United Socialist Party of Venezuela (PSUV). Both parties have expressed initial interest in receiving training from the National Democratic Institute, an organization that was anathema to them in the past. Ramon Martinez, the Podemos Governor of Sucre State, publicly lambasted Chavez' intentions to weaken governors and mayors at the expense of the central government. A handful of other pro-Chavez governors are rumored to be ready to break with the Venezuelan president to oppose further centralization of power. Ismael Garcia told Charge August 13 that because Chavez keeps changing elements and timing of the package, Podemos is waiting for the concrete proposal before raising specific issues.

Comment

112. (C) President Chavez continues to maintain the upper hand in the growing public debate over constitutional changes. He has the luxury of both promoting key ideas of his constitutional rewrite and dismissing the opposition's criticism of the same by arguing that the opposition "has not even seen the package yet." When Chavez finally releases the package, his loyal supporters can be expected to move the package quickly through the National Assembly, with only token changes, if any. Podemos and PPT have members in the National Assembly who could raise concerns about Chavez' proposals, but it remains to be seen whether they intend to do so. The real political battle will be the run-up to the referendum, but the divided opposition is a long way away right now from being prepared to confront the Chavez electoral machine. USG funding for NGOs preparing information campaigns, get-out-the-vote efforts, and election observation missions could help make a constitutional referendum a more democratic contest and promote genuine debate on Chavez' ideas for rewriting the constitution.

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